Local Government Mandate Statement Kentucky Legislative Research Commission 2018 Regular Session

Part I: Measure Information

Bill Request #: 1632	
Bill #: HB 559	
Document ID #: 579	95
· ·	AN ACT relating to 911 emergency service and declaring an emeergency.
Sponsor: Representative Brian E. Linder	
Unit of Government:	X City X County Y Urban-County Unified Local
	X Charter County X Consolidated Local X Government
Office(s) Impacted:	911 Entities
Requirement: X	Mandatory Optional
Effect on Powers & Duties:	Modifies Existing Adds New X Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

Lifeline is a federal program that provides free cellphones to low-income users. It is subsidized by the Universal Service Fund which as expanded by the Telecommunications Act of 1996 ensures affordable, nationwide telephone service, including 911 services to rural health care providers. Additionally, 911 service funding was changed from a postpaid and prepaid customer service charge to a new Lifeline provider service charge and a new point-of-sale fee for prepaid wireless customers imposed by HB 585 of the 2016 Regular Session. Lifeline providers are currently required to pay 0.70 cents per month for each wireless connection provided to a low income individual who qualifies for the Lifeline program. This money is remitted to the KY 911 Services Board (formerly the Commercial Mobile Radio Service Board) administratively attached to the KY Office of Homeland Security.

HB 559 abolishes the monthly service charge. As of January 2018, there are 164,061 wireless Lifeline subscribers. The annual potential impact to certified 911 call centers, known as Public Safety Answering Points (PSAPs) is calculated as follows:

 Subscribers:
 164,061

 Monthly Fee:
 X .70 cents

 Gross Monthly Fees Collected:
 \$114,842.70

 1.5% retained by provider for administrative cost:
 \$1,722.64

 Net Monthly Fee:
 113,120.06

 X 12 months

 Annual Impact:
 \$1,357,440.72

The revenue generated by this monthly service charge is used to support Kentucky's 117 PSAPs, especially rural PSAPs that rely heavily on 911 Services Board funding to maintain emergency response services to their communities.

The loss of this funding will be a significant burden to local governments that maintain PSAPs and could result in a reduction in the level and quality of 911 response. Local governments could make up this lost revenue by the levy of a special tax collected at the local government level, a fee on landline subscribers in order to keep the service viable, or from the local governments' general fund.

Emergency Clause: This Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced. No prior versions of the bill have been introduced necessitating Part III to be completed at this time.

Data Source(s): LRC Staff; Office of Homeland Security

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/7/18